

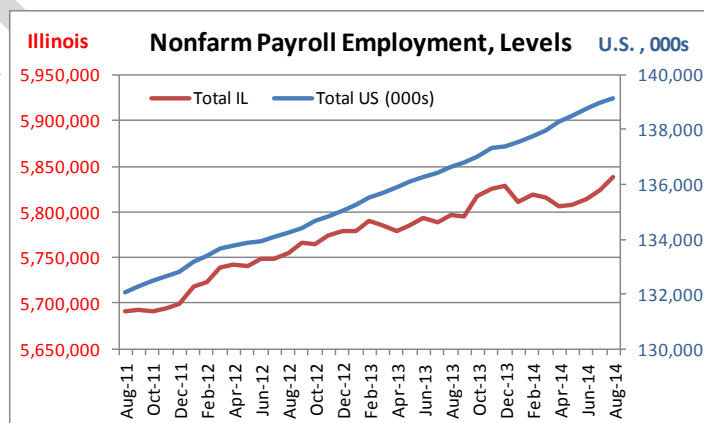
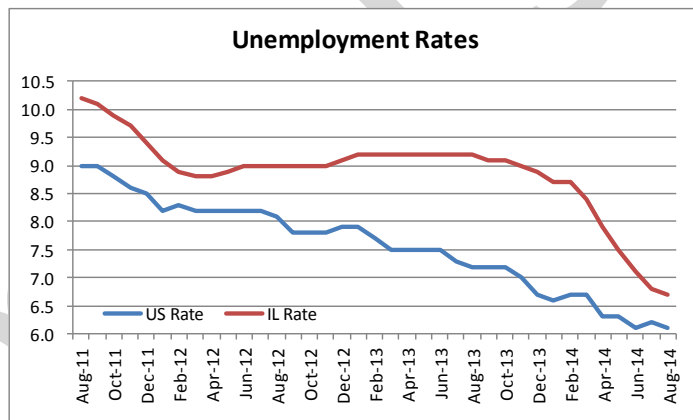
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**Highlights**

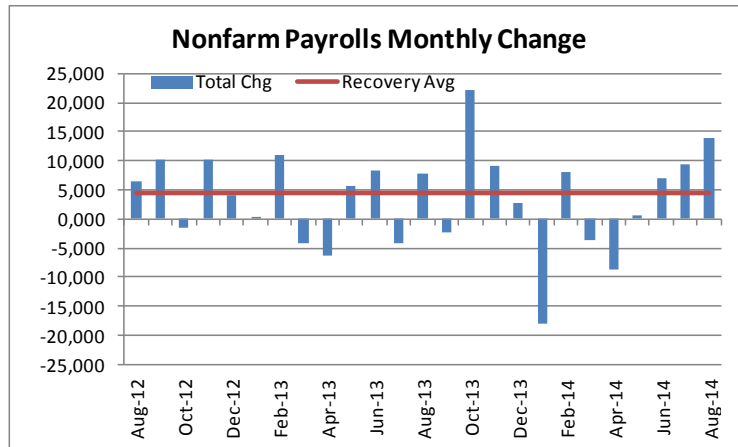
- Total Illinois payrolls increased by +13,800 jobs in August after a downward revised gain of 9,400 jobs in July. (The preliminary July report showed a gain of +10,300 jobs.)
- Illinois private sector payrolls increased by +13,000 jobs in July after gaining +10,300 jobs in July. The preliminary July gain was +11,000 jobs.
- Government payrolls gained 800 jobs in August after shedding 900 jobs in July.
- Illinois has gained +253,000 jobs (+4.5%) since the recovery began in February 2010 (+275,200 private sector jobs, +5.8%).
- The U.S. gained 7.3 percent total nonfarm payroll jobs since the recovery began; +9.4 percent in the private sector.
- The seasonally adjusted Illinois unemployment rate decreased 0.1 percentage points in August to 6.7 percent. The rate was 9.2 percent a year ago.
- From February to July, the Illinois rate decreased from 8.7 to 6.8 percent, more than any other state. In August, Illinois' rate (6.7%) remains 0.6 percentage points higher than the national rate of 6.1%. The 0.6 percentage point difference between the Illinois and U.S. rate is exactly the average difference (0.6 percentage points) experienced since 1976.



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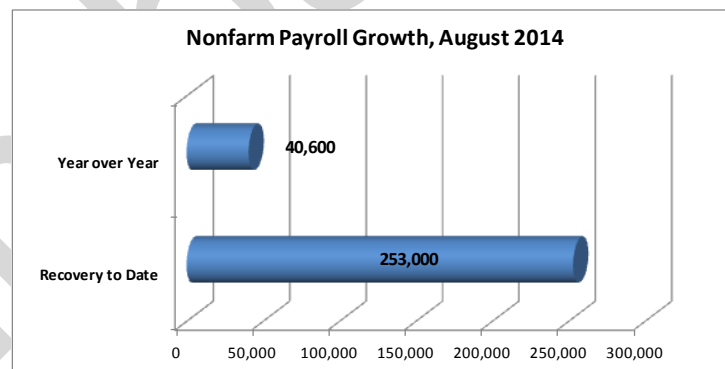
**Jobs**

Total nonfarm payroll employment **increased by +13,800 jobs** in August (0.2 percent) after a downward revised **gain of +9,400 jobs** in July. (The total August gain was statistically significant.) Private nonfarm payrolls increased by 13,000 jobs in August, while government payrolls increased by 800 jobs over the month. The August nonfarm payroll report points to strength in hiring over the month in most industry sectors. After several months of mediocre reports earlier this year, this one (along with June and July's data) are more in line with other labor market information. New initial jobless claims decreased again in August over the prior month (continuing a persistent downward trend). Over the past several months, the ADP employment report has shown consistent growth in Illinois, and The Conference Board's Help Wanted Online job ads index has generally trended higher (although month-to-month changes varied slightly.)



The Illinois recovery-to-date (February 2010 to August 2014) has gained +253,000 jobs (+275,200 jobs in the private sector). This amounts to 4,600 jobs per month, on average, since the beginning of the recovery. In Illinois, the 4.5 percent increase in jobs since the recovery began is smaller than the 7.3 percent recovery growth posted by the nation. Year to date, Illinois has gained 8,700 jobs (Jan to August 2014) with declines in January, March and April now offset by job increases in February, May, June, July and August. Over the same 8-month period in 2013, Illinois had gained 18,400 jobs.

On a year-over-year basis (August 2013 to August 2014), nonfarm payrolls grew by +40,600 jobs (or 0.7 percent) in Illinois. Nationally, the over-the-year gain was 1.8 percent in August.



Illinois lost 410,100 jobs during the recession spanning January 2008 (the peak) through January 2010 (the trough). Thus far, **Illinois has regained 61.7 percent (+253,000) of the total nonfarm jobs lost**. The recovery has been uneven among the various sectors with some gaining all the jobs lost and more (professional and business services, education and health services, leisure and hospitality) while others have a long way to go (manufacturing and construction.) Illinois has regained **66.7 percent of nonfarm payrolls in the private sector**.

**Industry Sectors with over-the-month job gains in August:**

Leisure and Hospitality payrolls increased by 5,000 jobs in August. (Statistically Significant Change)

- Arts, Entertainment and Recreation employment gained 300 jobs over the month.
- Accommodation and Food Services payrolls gained 4,700 jobs over the month. (Statistically Significant Change)

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- Year to Date (Jan – August 2014): Leisure and Hospitality services gained 1,800 jobs since the beginning of the year; in contrast to 2013 when 5,200 jobs had been gained during this period.
- Leisure and Hospitality employment has increased by 7.4 percent or 38,000 jobs since the recovery began with almost the entire job gain in Accommodation and Food Services.
- Nationally, leisure and hospitality payrolls have grown by 13.3 percent since the recovery began.
- Relative share in Illinois: Leisure and Hospitality employment accounts for 9.4 percent of total nonfarm payrolls.

Trade, Transportation, and Utilities payrolls increased by 4,300 jobs in August. (Not Statistically Significant Change)

- Transportation, Warehousing and Utilities payrolls increased by 5,200 jobs over the month, with gains across the board. (Statistically Significant Change)
- Wholesale Trade payrolls decreased by 300 jobs over the month.
- Retail Trade payrolls shed 600 jobs over the month.
- Year to Date (Jan – August 2014): Trade, Transportation and Utilities decreased by 6,400 jobs since the beginning of the year with 11,500 job losses concentrated in retail trade.
- Trade, Transportation and Utilities payrolls have gained 48,900 jobs or +4.4 percent since the recovery began.
- Nationally, trade, transportation and utilities employment has grown by 7.7 percent since the recovery began. The biggest difference between Illinois and the nation is that Retail Trade payrolls have not recovered in Illinois (+1.6%) to the same extent as the nation (+6.8%), but wholesale trade and transportation, warehousing and utilities are also growing more slowly in Illinois than the nation.
- Relative share in Illinois: Trade, Transportation and Utilities accounts for 20 percent of total nonfarm payrolls.

Professional and Business Services payrolls increased by 3,300 jobs in August. (Not Statistically Significant Change)

- Professional Services payrolls gained 1,600 jobs over the month with particularly large gains in accounting services and architectural and engineering services.
- Business Services gained 1,700 jobs over the month.
- Year to Date (Jan – August 2014): Professional and Business services have added 11,300 jobs since the beginning of the year, nearly twice as many as we had during the same period in 2013, but not as strong as 2012.
- Employment in Professional and Business Services has posted the strongest growth rate (+15.0% or +117,400 jobs) among major industry sectors since the recovery began in Illinois. Roughly two-thirds of the gain is attributed to Business Services and one-third to Professional Services.
- Nationally, professional and business services employment increased by 16.6 percent since the recovery began.
- Relative share in Illinois: Professional and Business Services account for 15.4 percent of total nonfarm payrolls.

Construction payrolls increased by 2,300 jobs in August. (Not Statistically Significant Change)

- Year to date (Jan – August 2014): Construction payrolls are up by 11,200 jobs since the beginning of the year; more than four times as strong as the gain posted for this same period in 2013.
- Construction payrolls had continued to decline in Illinois when most of the other industry sectors began to turn around in February 2010. The August 2014 level of construction employment is now at its highest level since January 2010.
- Nationally, construction payrolls are up 10.2 percent since the beginning of the (employment) recovery.
- Relative share in Illinois: Construction employment accounts for 3.3 percent of total nonfarm payrolls.

Manufacturers' payrolls increased by 2,100 jobs in August. (Not Statistically Significant Change)

- Durable goods manufacturers' payrolls increased by 2,200 jobs over the month with particularly large gains in transportation equipment. (Statistically Significant Change)
- Nondurable goods manufacturers' payrolls decreased by 100 jobs over the prior month.
- Year to Date (Jan – August 2014): Manufacturing has shed 6,200 jobs since the beginning of the year, on par with last year's decline for the same time frame. In 2012, manufacturing sector jobs had increased during the first 8 months of the year.
- Manufacturing payrolls have increased by 3.5 percent or 19,200 jobs since the recovery began in February 2010.
- Nationally, manufacturing employment has grown by 6.2 percent.
- Relative share in Illinois: Manufacturing employment accounts for 9.8 percent of total nonfarm payrolls.

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Government payrolls increased by 800 jobs over the month in August. (BLS does not measure statistical significance for government payroll over-the-month changes.)

- Federal Government payrolls gained 800 jobs over the month.
- State Government gained 400 jobs over the month.
- Local Government employment shed 400 jobs over the month.
- Year to Date (Jan – August 2014): Government services have added 2,500 jobs since the beginning of the year.
- Total government jobs are down by 22,200 or -2.6 percent since the recovery began in Illinois.
- Nationally, government payrolls are down 2.5 percent since the recovery began.
- Relative share in Illinois: Government employment accounts for 14.3 percent of total nonfarm payrolls (with 10.3 percent coming from local government).

**Industry Sectors with over-the-month job losses in August:**

Other Services decreased by 1,800 jobs in August. (Not Statistically Significant Change)

- Other services include repair and maintenance, personal and laundry services and membership associations and organizations and moves erratically from one month to the next.
- Year to Date (Jan – August 2014): Other services have lost 4,300 jobs since the beginning of this year.
- This sector has lost 6,500 jobs (-2.5 percent) since the recovery began. Nationally, this sector gained 3.7 percent.
- Relative share in Illinois: Other Services account for 4.3 percent of total nonfarm payrolls

Education and Health Services payrolls decreased by 1,700 jobs in August. (Not Statistically Significant Change)

- Educational Services shed 2,900 jobs over the month. (Statistically Significant Change)
- Health Care and Social Assistance increased by 1,200 jobs over the month.
- Year to Date (Jan – August 2014): Education and Health services have gained 1,200 jobs since the beginning of the year, only one-tenth of the growth for this period in 2013.
- Payrolls in Education and Health Services grew during the recession and, since the recovery began, have increased by 59,400 jobs or 7.2 percent.
- Nationally, education and health care employment has increased 9.0 percent since the recovery began.
- Relative share in Illinois: Education and Health Care Services account for 15.1 percent of total nonfarm payrolls with 12.5 percent of that attributable to Health Care and Social Assistance.

Financial Activities payrolls decreased by 300 jobs in August. (Not Statistically Significant Change)

- Finance and insurance payrolls increased by 1,300 jobs over the month, primarily in insurance and the securities and commodities sectors. (Statistically Significant Change)
- Real estate and rental and leasing payrolls lost 1,600 jobs over the month. (Statistically Significant Change)
- Year to Date (Jan – August 2014): Financial Activities payrolls are down by 800 jobs since the beginning of the year; this is weaker year-to-date growth relative to 2012 and 2013.
- Sector payrolls are up by 4,500 jobs or +1.2 percent since the beginning of the recovery. This industry began to turn up in the second half of 2011 in Illinois.
- Nationally, financial activities payrolls have increased 3.1 percent since the recovery began.
- Relative share in Illinois: Financial Activities accounts for 6.3 percent of total nonfarm payrolls.

Information Services payrolls decreased by 100 jobs in August. (Not Statistically Significant Change)

- Year to Date (Jan – August 2014): Information services have shed 1,900 jobs since the beginning of the year.
- Since the recovery began, this sector has lost 6,700 jobs, or -6.5 percent. The U.S. is showing a drop of -2.4 percent in information services since the beginning of the employment recovery.
- Relative share in Illinois: Information Services accounts for 1.7 percent of total nonfarm payrolls.

**Labor Force**

The seasonally adjusted Illinois unemployment rate decreased 0.1 percentage point in August to 6.7 percent. A year ago, the unemployment rate was 9.2 percent, a reduction of 2.5 percentage points. Indeed, the rate is down 2.0 percentage points since January.

The August 2014 unemployment rate in Illinois was 0.6 percentage points higher than the national rate, which inched down to 6.1 percent in August. The gap between the U.S. rate and the Illinois unemployment rate matches its historical

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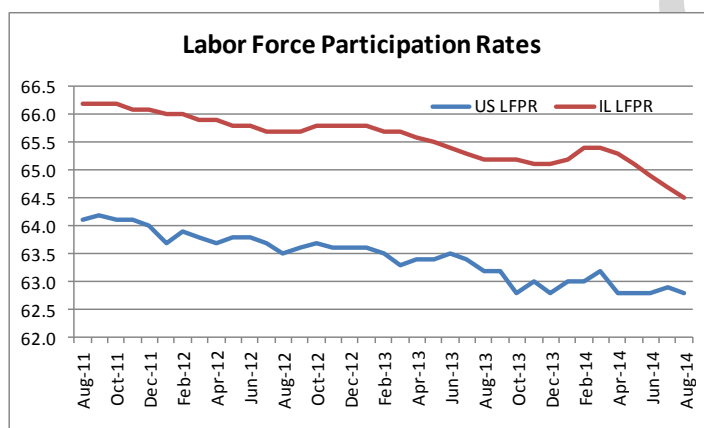
average of 0.6 percentage points measured since 1976. At 6.7 percent, the August unemployment rate stood at its lowest level since August 2008 when it was also 6.7 percent (It was lower at 6.6 percent in July 2008).

The seasonally adjusted civilian labor force decreased by 19,100 (-0.3%) to 6,493,800 in August. The number of unemployed persons decreased 2.8 percent or by 12,300 in August to reach 433,100, the lowest level of unemployment since June 2008. Total unemployed has decreased 320,400 (-42.5%) since the unemployment rate peaked at 11.4 percent in January 2010.

[The average duration of unemployment was 39.7 weeks in August 2014, down 10.6 weeks from one year earlier. More than four of ten unemployed (43.5 percent) was out of work for more than 26 weeks in August, down 2.5 percent from the previous year. Nearly one out of three (28.8 percent) of unemployed was out of work for at least 52 weeks or one year in August, down 5.3 percent from the prior year.]

**Labor Force Participation**

The national labor force participation rate inched down to 62.8 percent in August; it was 0.4 percentage points lower than a year ago August when it was 63.2 percent. The labor force participation rate for Illinois decreased by 0.2 percentage points in August to 64.5 percent; it was down 0.7 percentage points from a year ago (65.2 percent).



The employment-to-population ratio edged down to 60.2 percent in August after holding at 60.3 percent for the two previous months. The employment-to-population ratio in Illinois remained well above the employment-to-population ratio for the nation. Nationally, the employment-to-population ratio held at 59 percent for the third straight month.

